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November 19, 1997

RECEIVED
NOV 19 1997
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Magalie Roman Salas, Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Ex Parte Presentation in CS Dockets 97-98 and 97-151

Dear Ms. Salas:

This letter is provided pursuant to Subpart H of Part 1 of the Rules of the Federal Communications Commission, 47 C.F.R. § 1.1200 *et seq.*, to furnish notice of an ex parte meeting in the above permit-but-disclose rule making proceedings. An original and one copy for each proceeding, that is, two originals and two copies, are being filed.

On November 18, 1997, Lee Collins of Tampa Electric Company, Glenn Davis of Delmarva Power and Light, Chuck Rhodes of Virginia Power Company, and their counsel, Walter Steimel, Jr., and Ronnie London of Hunton & Williams, collectively representing the Electric Utilities Coalition, met with Elizabeth Beaty, Chief of the Commission's Cable Services Bureau's Financial Analysis and Compliance Division, and members of her staff, to discuss the issues encompassed by the two above-referenced rule making dockets.

The substance of the meeting did not materially differ or extend beyond those matters raised by the Comments and Reply Comments filed by the Electric Utilities Coalition in the aforementioned proceedings, except that the Electric Utilities Coalition provided sample formulas for determining conduit and right-of-way rental rates that were more detailed than those contained in their comments, and the Coalition presented discussion of historical field experience regarding the installation of conduit. No materials were provided to the Commission that have not been previously included in the Electric Utilities Coalition's pleadings, save for the "Sample Pole Loading Calculation for Addition of Overlashed Fiber Optic Cable" and the Federal Energy Regulatory Commission's Notice of Proposed Rule Making in FERC Docket No. RM97-6-000, both of which are attached hereto.

If there are any questions regarding this matter, please contact the undersigned directly.

Very truly yours,

Walter Steimel, Jr.

Attachment

cc: Elizabeth Beaty, Esq. (w/out Attachments)

November 18, 1997

Sample Pole Loading Calculation
for
Addition of Overlashed Fiber Optic Cable

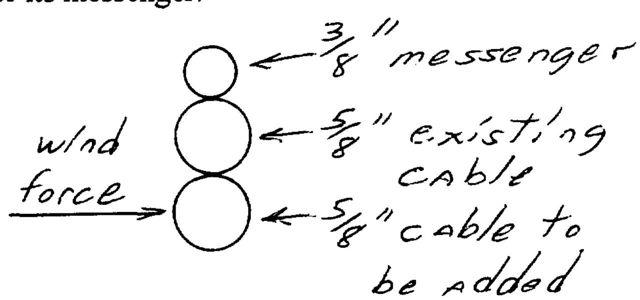
Assume a fiber optic cable to be overlashed to an existing attachment. It has a diameter of 5/8 in. and is at an elevation of 22.5 ft. above ground. This represents a typical 60 fiber bundle. Further:

> F_{wind} = 9 lbs./ft^2
> Overload Capacity Factor (OCF) = 4.0
> D_{ol} = 5/8 in. = .052 ft.
> H_{ag} = 22.5 ft.
> Span Length (SL) = 150 ft.
> M_{ol} = Additional ground line moment imposed that pole must be capable of handling.

F_{wind} and OCF are as specified by NESC, other factors depend upon the particular application - these are typicals. NESC requires assuming the worse case scenario, therefore the full diameter of the overlashed cable is exposed to the wind (see below) and is not shielded by either the existing cable or its messenger.

The formula is as follows:

$M_{ol} = F_{wind}$ x OCF x D_{ol} x H_{ag} x SL



Entering our typical numbers:

M_{ol} = 9 lbs./ft^2 x 4 x .052 ft. x 22.5 ft. x 150 ft.

= 6318 ft.-lbs.

In this case, if the capacity of the pole is 150,000 ft.-lbs. and it is currently loaded to 145,000 ft.-lbs., the addition of the overlashed cable would require that the pole be changed out to a pole of a greater class with increased capacity. For other span lengths the additional loadings are as follows:

Span Length:	100 ft.	150 ft.	200 ft.	250 ft.	300 ft.	350 ft.
M_{ol} (ft.-lbs.):	4212	6318	8424	10530	12636	14742

UNITED STATES OF AMERICA 80 FERC ^T 61,113
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Parts 101, 116, 201, 216 and 352

[Docket No. RM97-6-000]

Units of Property Accounting Regulations

(July 25, 1997)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Federal Energy Regulatory Commission is proposing to amend its units of property and oil pipeline regulations to require companies to maintain a written property units listing, to apply the listing consistently, and to furnish the Commission with a justification of any changes in the listing, if requested, and to clarify that companies may use estimates when it is impractical or unduly burdensome for companies to identify the cost of retired property. In addition, the Commission proposes to remove certain regulations which prescribe unit-of-property listings for jurisdictional companies. These changes will allow companies additional flexibility in maintaining their records of units of property. Finally, the Commission also proposes to remove the regulation which prescribes a minimum rule that requires Oil Pipelines to charge operating expenses for acquisitions, additions and improvements costing less than $500. DATES: Comments are due on or before (insert 45 days after publication in the Federal Register.)

ADDRESSES: File comments with the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426.

FOR FURTHER INFORMATION CONTACT:

Harris S. Wood
Office of the General Counsel
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426.
(202) 208-0224

Mark Klose
Office of the Chief Accountant
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426.
(202) 219-2595

SUPPLEMENTARY INFORMATION: In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to inspect or copy the contents of this document during normal business hours in Room 2A, 888 First Street, N.E., Washington D.C. 20426.

The Commission Issuance Posting System (CIPS), an electronic bulletin board service, provides access to the texts of formal documents issued by the Commission. CIPS is available at no charge to the user and may be accessed using a personal computer with a modem by dialing 202-208-1397if dialing locally or 1-800-856-3920if dialing long distance. To access CIPS, set your communications software to 19200, 14400, 12000, 9600, 7200, 4800, 2400, or 1200 bps, full duplex, no parity, 8 data bits and 1 stop bit. The full text of this order will be available on CIPS in ASCII and WordPerfect 6.1 format. CIPS user assistance is available at 202-208-2474.

CIPS is also available on the Internet through the Fed World system. Telnet software is required. To access CIPS via the Internet, point your browser to the URL address: http://www.fedworld.gov and select the "Go to the FedWorld Telnet Site" button. When your Telnet software connects you, log on to the FedWorld system, scroll down and select FedWorld by typing: 1 and at the command line and type: /go FERC. FedWorld may also be accessed by Telnet at the address fedworld.gov.

Finally, the complete text on diskette in WordPerfect format may be purchased from the Commission's copy contractor, La Dorn Systems Corporation. La Dorn Systems Corporation is also located in the Public Reference Room at 888 First Street, N.E., Washington, DC 20426.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Recordkeeping for Units of) Docket No. RM97-6-000
Property Accounting Regulations)
for Public Utilities and)
Licensees, Natural Gas Companies)
and Oil Pipeline Companies

NOTICE OF PROPOSED RULEMAKING

(July 25, 1997)

The Federal Energy Regulatory Commission (Commission) proposes to modify its regulations governing units of property to simplify the fixed-asset recordkeeping requirements for Public Utilities and Licensees (Public Utilities), Natural Gas Companies, and Oil Pipeline Companies. These three groups are collectively called Companies in this Notice of Proposed Rulemaking (NOPR).

This NOPR proposes to remove the Commission's prescribed units of property listings contained in 18 CFR Parts 116 and 216 and instruction 3-14 of Part 352, thereby giving Companies the flexibility to maintain their own property listings and corresponding fixed-asset records. The NOPR also proposes to require Companies to maintain their own written property units listing for use in accounting for additions and retirements of plant, apply the listing consistently, and if requested, furnish the Commission with the justification for any changes to the listing.

The NOPR proposes to clarify existing requirements for Public Utilities and Natural Gas Companies, and add the requirement for Oil Pipelines regarding estimating property costs when it is unduly burdensome to determine the cost of retired property. This will permit Oil Pipelines, as well as Public Utilities and Natural Gas Companies, to use estimates, and requires that

Companies furnish the basis of their estimate to the Commission, if requested.

Lastly, the NOPR proposes to remove the minimum rule for Oil Pipelines. This rule requires that Oil Pipelines must expense additions and improvements of less than $500 and must seek Commission approval to change this amount.

The proposed regulations will give Companies the opportunity to identify and maintain property unit listings that are up-to-date and more in harmony with the needs of their businesses. It will permit Companies to reduce the level and number of detailed property unit records that they currently maintain. Additionally, the Commission will not need to commit resources for maintaining and approving changes to the property listings.

The elimination of Parts 116, 216, and 352 (instruction 3-14) will not affect the information currently reported in the FERC Forms 1, 1-F, 2, 2-A or 6. 1/ These Forms do not report costs at the level of detail prescribed by Parts 116, 216 and 352 (instruction 3-14). Therefore, the NOPR will not affect the information contained in these Forms. The elimination of Parts 116, 216, and 352 (instruction 3-14) will not affect the manner in which costs are recognized for accounting or rate-making purposes. Companies will continue to treat all plant as consisting of retirement units and minor items of property. Under the proposed rule, Companies will account for the additions and retirements of such plant in accordance with instructions contained in the Commission s Uniform System of Accounts (USofA) for Public Utilities, Natural Gas Companies, and Oil Pipeline Companies.

1/ FERC Form No. 1: Annual Report of Major Electric Utilities, Licensees and Others; FERC Form 1-F: Annual Report for Non-major Public Utilities and Licensees; FERC Form No. 2: Annual Report of Major Natural Gas Companies; FERC Form 2-A: Annual Report of Non-major Natural Gas Companies; FERC Form No. 6: Annual Report of Oil Pipeline Companies.

I. Background

a. Public Utilities and Natural Gas Companies

In 1937, the Federal Power Commission (FPC) issued Order No. 45 2/ that prescribed the USofA for Public Utilities subject to the Federal Power Act. 3/ Order No. 45 also established the property unit listing for use in accounting for additions and retirements of electric plant.

These regulations do not permit Public Utilities to combine the items in the listing into fewer, higher level units without Commission approval. The Commission made only one significant revision to the electric plant property unit listing when, in 1987, it added nuclear plant equipment. 4/

Similarly, in 1939, the FPC issued Order No. 69, effective January 1, 1940, which established the property unit listing for use in accounting for additions and retirements of gas plant. These regulations also do not permit natural gas companies to combine the items in the listing into fewer, higher level units without Commission approval. 5/ The Commission made only one significant revision to the gas plant property unit listing when, in 1978, it added liquefied natural gas plant equipment. 6/

2/ 2 FR 135, January 26, 1937.

3/ The current version of the USofA for Public Utilities is found at 18 CFR, Subchapter C, Part 101, et seq.; for natural gas companies, 18 CFR, Subchapter F, Part 201 et seq.; and for Oil Pipelines, 18 CFR, Subchapter Q, Part 352.

4/ List of Property for Use in Accounting for the Addition and Retirement of Reactor Plant Equipment, FERC Stats. & Regs., Regulations Preamble 1986-1990, ^T 30,779(1987).

5/ 4 FR 4764, December 5, 1939.

6/ Order Amending the Uniform System of Accounts for Natural Gas Companies and Related Regulations to Provide for Base Load Liquefied Natural Gas Facilities, FERC Stats. & Regs., Regulations Preamble 1977-1981, ^T 30,009A(1978).

b. Oil Pipelines

In 1977, the Commission began regulating Oil Pipelines, with the implementation of the Department of Energy Organization Act. 7/ Prior to 1977, the Interstate Commerce Commission (ICC) regulated interstate oil pipelines and prescribed a property units listing. The Commission continues to use the ICC's prescribed listing as identified in 18 CFR Part 352 (instruction 3-14). The regulations do not permit Oil Pipelines to combine, add or expand the property items contained in the listing without Commission approval. Oil Pipeline plant property listings have not been revised or updated since the Commission began regulating Oil Pipelines.

II. Proposed Changes to Regulations

The Commission performed a review of current practices by Public Utilities, Natural Gas Companies, and Oil Pipelines in applying Parts 116, 216 and 352. Between January and April 1997, Commission staff met with several representatives from Public Utilities, Natural Gas Companies, Oil Pipelines, and associated Industry Groups 8/ to discuss the effects on Companies of identifying and tracking units of property at the prescribed detailed level. Based on this review, the Commission proposes to reduce detailed recordkeeping across all industry segments.

For Public Utilities and Natural Gas Companies, the Commission proposes to delete 18 CFR Parts 116 and 216 which prescribe a units of property listing for the additions and retirements of electric plant and gas plant, respectively. The Commission proposes to modify 18 CFR Part 101, Electric

7/ 42 U.S.C.A.^U 7101 (1995).

8/ Edison Electric Institute, Interstate Natural Gas Association, American Gas Association, and Association of Oil Pipelines.

Plant Instruction 10, and 18 CFR Part 201, Gas Plant Instruction 10, to require companies to maintain a written property units listing, to apply the listing consistently, and to furnish the Commission with the justification for any changes to the listing, if requested. In addition, the Commission proposes to clarify 18 CFR Parts 101 and 201, concerning the use of estimates when it is impractical or unduly burdensome for Companies to identify the cost of retired property.

For Oil Pipelines, the Commission proposes to delete 18 CFR Part 352 (instruction 3-14), which prescribes a units-of-property listing. The Commission proposes to modify 18 CFR Part 352 (instruction 3-4) to require Oil Pipelines to maintain a written property units listing, to apply the listing consistently, and to furnish the Commission with the justification for any changes to the listing, if requested. In addition, the Commission proposes to clarify 18 CFR Part 352 (instruction 3-7), concerning the use of estimates when it is impractical or unduly burdensome for Oil Pipelines to identify the cost of property retired.

Finally, the Commission also proposes to delete 18 CFR Part 352 (instruction 3-2), which prescribes a minimum rule that requires Oil Pipelines to charge operating expenses for acquisitions, additions and improvements costing less than $500, and to delete any references to the minimum rule in Part 352 (instructions 3-4, 3-5, and 3-6(a)).

III. Discussion

The USofA requires Companies to record the cost of additions and retirements of property and equipment in the appropriate plant account. 9/

9/ 18 CFR Parts 101, 201 and 352. The USofA for Public Utilities and Natural Gas Companies specifies in the plant instructions of Parts 101 and 201, respectively, the type of information companies must keep

Additionally, Companies maintain a fixed asset recordkeeping system that tracks these plant account costs by property units. Parts 116, 216, and 352 of the Commission's regulations prescribe the detailed property unit listings that Companies must use to identify the items of property and equipment tracked by the fixed asset recordkeeping system.

These listings prescribe a level of detail that companies maintain to support the amounts in the plant accounts. However, the property unit listings do not reflect the technological changes that have taken place in the utility industry. The NOPR proposes to remove the prescribed property unit listings, and allow Companies to identify property units and maintain a level of support determined by their business needs. The NOPR will not eliminate the need for Companies to maintain a property recordkeeping system. Companies will continue to maintain support of the amounts shown in the plant accounts.

As discussed below, the level of detail prescribed by the property unit listings and regulations place an unnecessary burden on Companies, are not current, are too restrictive, and appear to provide minimal benefit to either the Companies or to the Commission.

A. Burdens for Companies

(1) Recordkeeping Burden

Companies are experiencing fixed asset recordkeeping burdens due to the level of detail currently prescribed by 18 CFR,
Parts 116, 216, and 352 (instruction 3-14). These regulations require companies to keep detailed fixed asset records for each unit of property and its associated cost, and track the units' costs throughout the life of the asset.

related to their fixed assets.

For example, under the Commission s prescribed property unit listings, a Company may keep several fixed asset records for a building. These records detail the cost of the building s foundation, ventilating system, fire escape system, fire protection system, plumbing system, roof, and various other units of property, if the components or systems are relatively costly, and are identified in the List of General Retirement Units. 10/

In April 1997, Industry Groups initiated and conducted their own survey of their associated companies. The survey requested Companies to estimate the burden associated with tracking units of property in accordance with Parts 116, 216 and 352 (instruction 3-14). Companies' responses included estimated annual number of hours, labor dollars, and the portion of software costs used for complying with the regulations. Table 1 shows the estimated cost of identifying units of property in accordance with the current regulations , based upon meetings with the Industry Groups and their survey results.

10/ The process of sub-dividing a fixed asset into its various major components or unit of propoerty units is also referred to as the unitization process.

Table 1: Average Annual Labor Costs Incurred per Surveyed Company to Track Units of Property at Detailed Level Prescribed by Parts 116, 216 and 352 (instruction 3-14)

Source*	Average Annual Labor Costs per Surveyed Company
Edison Electric Institute (EEI)	$592,000
Interstate Natural Gas Association of America (INGAA)	$122,000
American Gas Association (AGA)	$315,000
Association of Oil Pipelines (AOPL)	$80,000

* 13 Public Utilities responded to EEI s preliminary survey; 16 Natural Gas Companies responded to INGAA s preliminary survey, and 19 Oil Pipelines responded to AOPL s preliminary survey. AGA did not identify the number of respondents.

Eliminating the property unit listings and regulations would give Companies the flexibility to maintain their own property listings and track the costs of fixed assets at the level of detail tailored to their business. This would reduce the burden Companies experience when tracking fixed assets at a level more detailed than either their business or the Commission needs.

(2) Software Burden

Another burden placed on Companies is the cost of developing fixed asset software that is utility specific, or purchasing and modifying non-utility specific software. Companies often must modify the software in order to track units of property in the manner prescribed by the Commission. The preliminary surveys that were initiated and conducted by Industry Groups show their associated companies incur costs ranging from $20,000to $2.7 million for fixed asset software.

Based on the preliminary surveys, Companies could realize substantial savings if the Commission deletes unnecessary detailed recordkeeping requirements. The proposed changes would also eliminate the burden placed on the Commission to update the items in the listings.

B. Revamping Fixed Asset Regulations

(1) Property Units Listings

The Commission's review of electric, gas and oil pipeline property listings found that the Commission's property listings do not contain all types of property currently used by Companies. The listings in Parts 116, 216, and 352 (instruction 3-14) do not include property resulting from technological advances, such as scrubbers, microwave towers, and smart pigging equipment. Additionally, the property unit listings contain items of property that are no longer used by Companies such as telegraph and teletype equipment and gas storage cleaning equipment. By allowing Companies the flexibility to identify and maintain their own property unit listings the proposed revisions to the regulations will eliminate the need for the Commission to devote resources necessary to update the listings.

(2) Minimum Rule for Oil Pipelines

Unlike Public Utilities and Natural Gas Companies, Oil Pipelines are subject to a Minimum Rule as prescribed in Part 352 (instruction 3-2). The minimum rule requires Oil Pipelines to charge operating expenses for acquisitions, additions and improvements costing less than $500. It also requires Oil Pipelines to obtain Commission approval if they wish to change the minimum level.

The Commission considers the $500 dollar threshold to be inadequate in today's environment. Consequently, the Commission proposes to delete the prescribed minimum rule, and permit Oil Pipelines to establish their own dollar threshold in order to avoid undue refinement in accounting for acquisitions, additions, and improvements.

C. Restrictions on Estimating Cost

Carrier regulations do not permit companies to estimate property costs at the time of retirement when the cost is not determinable. However, Public Utilities and Natural Gas Companies are permitted to use estimates in similar circumstances. 11/ Unlike Oil Pipelines, they may use cost trending indices to determine an estimated cost of retired property when it is impractical or unduly burdensome to identify the cost.

Therefore, the Commission proposes to permit Oil Pipeline to use estimates in Oil Pipeline plant instructions when it is impractical or unduly burdensome to identify the cost of the property retired. The Commission will also require that Oil Pipelines be prepared to furnish the Commission with the basis of such estimates if requested.

IV. Information Collection Statement

The following collections of information contained in this proposed rule are being submitted to the Office of Management and Budget (OMB) for review

11/ 18 CFR, Part 101 for Public Utilities states in electric plant instruction 10(D) that the "book cost of electric plant retired shall be the amount at which such property is included in the electric plant accounts. . . The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated;" 18 CFR, Part 201 for Natural Gas Companies states in gas plant instruction 10(D) that the "book cost of gas plant retired shall be the amount at which such property is included in the gas plant accounts. . . The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated."

under the Paperwork Reduction Act of 1995. (See 44 U.S.C.^U 3507(d)) The information provided under 18 CFR, Parts 101 and 116 is approved under OMB Control nos. 1902-0021,1902-0029and 1902-0092;for Parts 201 and 216, OMB control nos. 1902-0028,1902-0030and 1902-0092and for Part 352 OMB Control nos. 1902-0022. Applicants shall not be penalized for failure to respond to these collections of information unless the collection(s) of information display a valid OMB control number.

The Commission's regulations governing units of property in Parts 116, 216 and 352 (instruction 3-14) require companies to keep detailed fixed asset records, including the costs for each unit of property, and then track the units' costs throughout the life of the asset. These regulations place recordkeeping burdens on Companies.

Information Collection Burden and Costs:

In the preliminary survey conducted in April 1997, Companies provided an estimate of the annual number of hours they incur when identifying units of property in accordance with Parts 116, 216 and 352 (instruction 3-14) regulations. Table 2 displays the average number of hours spent per respondent in each industry group:

Table 2: Average Annual Labor Hours Incurred per Surveyed Company to Track Units of Property at the Prescribed Detailed Level

Source	Average Annual Labor Hours per Surveyed Company
Public Utilities (source: Edison Electric Institute)	16,430

Source	Average Annual Labor Hours per Surveyed Company
Natural Gas Companies (source: Interstate Natural Gas Association of America)	5,863

Total Average Annual Labor Hours for Collection of Information for Public Utilities and Natural Gas Companies: 4,224,259

The Commission anticipates substantial savings with the proposed reduction of these recordkeeping requirements and, as part of the proposed rule, solicits comments on potential cost savings. (See 5 CFR 1320.11)

Comments are solicited on the Commission's continuing need for this information, whether the information has practical use, ways to enhance the quality, use and clarity of the information collected, and any suggested methods for minimizing the respondent's burden, including the use of automated information techniques.

The Commission requires public utilities and licensees, natural gas companies and oil pipeline companies to identify units of property as listed in 18 CFR Parts 116,216 and 352 (instruction 3-14). The listing identifies major components of plant property each company must track throughout the property's life. The Commission also specifies in Parts 101 and 201 (Electric and Gas Plant Instructions), the type of information and level of detail Companies must keep of their fixed assets.

The proposed rule seeks to modify these requirements to reduce the recordkeeping burden imposed on Companies and to make the regulations current with industry practices. Therefore, the Commission proposes to delete Parts 116,216 and 352 (instruction 3-14) - Property Unit Listings and requirements.

The Commission's internal review determined that there is specific, objective support for the burden estimates associated with the Commission's requirements.

Interested persons may obtain information on the reporting requirements by contacting the following: Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426, [Attention: Michael Miller, Division of Information Services, Phone: (202)208-1415, fax: (202)273-0873, E-mail: mmiller@ferc.fed.us

For submitting comments concerning the collection of information(s) and the associated burden estimate(s) send your comments to the contact listed above and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, D.C. 20503. [Attention: Desk Officer for the Federal Energy Regulatory Commission, phone: (202)395-3087, fax: (202)395-7285]

V. Environmental Analysis

The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment. 12/ The Commission has categorically excluded certain actions from these requirements as not having a significant effect on the human environment. 13/ The action proposed here is procedural in nature and therefore falls within the categorical exclusions provided in the Commission's regulations. 14/ Therefore, neither an environmental impact

12/ Order No. 486, Regulations Implementing the National Environmental Policy Act, 52 FR 47897 (Dec. 17, 1987), FERC Statutes and Regulations, Regulations Preambles 1986-1990^T 30,783 (1987).

13/ 18 CFR 380.4.

14/ See 18 CFR 380.4(a)(2)(ii).

statement nor an environmental assessment is necessary and will not be prepared in this proposed NOPR.

VI. Regulatory Flexibility Act Certification

The Regulatory Flexibility Act 15/ generally requires the Commission to describe the impact that a proposed rule would have on small entities or to certify that the rule will not have a significant economic impact on a substantial number of small entities. An analysis is not required if a proposed rule will not have such an impact. 16/

Pursuant to section 605(b), the Commission certifies that the proposed rule, if promulgated, will not have a significant adverse economic impact on a substantial number of small entities.

VII. Comment Procedures

The Commission invites interested persons to submit written comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. All comments must be filed with the Commission no later than [insert date 45 days after publication of this notice in the Federal Register], 1997. An original and 14 copies of comments should be submitted to the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, and should refer to Docket No. RM97-6-000. Additionally, comments should be submitted electronically. Participants can submit comments on computer diskette in WordPerfect 6.1 or lower format or in

15/ 5 U.S.C. 601-612.

16/ 5 U.S.C. 605(b).

ASCII format, with the name of the filer and Docket No. RM97-6-000 on the outside of the diskette.

All written comments will be placed in the Commission's public files and will be available for inspection in the Commission's Public Reference Room at 888 First Street, NE,
Washington, DC 20426, during regular business hours.

List of Subjects

18 CFR Part 101

Electric power, Electric utilities, Reporting and recordkeeping requirements, Uniform System of Accounts

18 CFR Part 116

Electric power plants, Electric utilities, Reporting and recordkeeping requirements, Uniform System of Accounts

18 CFR Part 201

Natural gas, Reporting and recordkeeping requirements, Uniform System of Accounts

18 CFR Part 216

Natural gas, Reporting and recordkeeping requirements, Uniform System of Accounts

18 CFR Part 352

Pipelines, Reporting and recordkeeping requirements, Uniform System of Accounts

By direction of the Commission.

(S E A L)

Lois D. Cashell,
Secretary.

In consideration of the foregoing, the Commission gives notice of its proposal to amend Parts 101, 116, 201, 216, and 352 Chapter I, Title 18, Code of Federal Regulations, as set forth below.

PART 101 - UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR PUBLIC UTILITIES AND LICENSEES SUBJECT TO THE PROVISIONS OF THE FEDERAL POWER ACT

1. The authority citation for Part 101 continues to read as follows:

Authority: 16 U.S.C. 791a-825r, 2601-2645; 31 U.S.C. 9701; 42 U.S.C. 7102-7352, 7651-7651o.

2. In Part 101, Electric Plant Instruction 10, paragraphs A and D are revised to read as follows:

10. Additions and Retirements of Electric Plant.

A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of electric plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property. Each utility shall maintain a written property units listing for use in accounting for additions and retirements of electric plant, apply the listing consistently, and if requested, furnish the Commission with justifications for any changes to the listing.

* * * * *

D. The book cost of electric plant retired shall be the amount at which such property is included in the electric plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done it shall be estimated. Utilities must furnish the particulars of such estimates to the Commission, if requested. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.

* * * * *

3. In Part 101, Electric Plant Instruction 11, paragraph C is revised to read as follows:

11. Work Order and Property Record System Required.

* * * * *

C. In the case of Major utilities, each utility shall maintain records in which, for each plant account, the amounts of the annual additions and retirements are classified so as to show the number and cost of the various record units or retirement units.

PART 116 - UNITS OF PROPERTY FOR USE IN ACCOUNTING FOR ADDITIONS TO AND RETIREMENTS OF ELECTRIC PLANT

4. Part 116 is removed.

PART 201 - UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR NATURAL GAS COMPANIES SUBJECT TO THE PROVISIONS OF THE NATURAL GAS ACT

5. The authority citation for Part 201 continues to read as follows:

Authority: 15 U.S.C. 717-717w, 3301-3432; 42 U.S.C. 7101-7352, 7651-7651o.

6. In Part 201, Gas Plant Instruction 10, paragraphs A and D are revised to read as follows:

10. Additions and Retirements of Gas Plant.

A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of gas plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property. Each utility shall maintain a written property units listing for use in accounting for additions and retirements of gas plant, apply the listing consistently, and if requested, furnish the Commission with justifications for any changes to the listing.

* * * * *

D. The book cost of gas plant retired shall be the amount at which such property is included in the gas plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done it shall be estimated. Utilities must furnish the particulars of such estimates to the Commission, if requested. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.

* * * * *

7. In Part 201, Gas Plant Instruction 11, paragraph C is revised to read as follows:

11. Work order and property record system required.

* * * * *

C. Each utility shall maintain records in which, for each plant account, the amounts of the annual additions and retirements are classified so as to show the number and cost of the various record units or retirement units.

PART 216 - UNITS OF PROPERTY FOR USE IN ACCOUNTING FOR ADDITIONS TO AND RETIREMENTS OF GAS PLANT

8. Part 216 is removed.